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MEMORANDUM


TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DATE: February 11, 2015

RE: **STAFF'S RESPONSE TO NOVEMBER 18, 2014 PROCEDURAL ORDER
REGARDING UTILITY SOURCE, L.L.C. FOR A PERMANENT RATE
INCREASE (DOCKET NO. WS-04235A-13-0331)**Arizona Corporation Commission
DOCKETED

FEB 11 2015

DOCKETED BY 

Pursuant to a Procedural Order issued on November 18, 2014, Staff files this Staff Response to questions raised by the Administrative Law Judge, in this Docket.

SMO:JLK:red\WVC

Originators: James R. Armstrong and Jorn L. Keller

Attachment: Original and sixteen copies

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**ARIZONA CORPORATION COMMISSION
STAFF'S RESPONSES TO
DIRECTIVE RAISED BY THE
ADMINISTRATIVE LAW JUDGE IN
NOVEMBER 18, 2014 PROCEDURAL ORDER**

DOCKET NO. WS-04235A-13-0331

FEBRUARY 11, 2015

**STAFF COMMENTS REGARDING ADMINISTRATIVE LAW JUDGE'S
("ALJ") SURCREDIT MECHANISM ALTERNATIVE:**

Staff submits the following observations and recommendations in response to the ALJ's November 18, 2014 Procedural Order directing the parties to address and answer questions regarding the following topic:

Whether it would be in the public interest to include the costs of the standpipe and related facilities in rate base and create a surcredit mechanism to return the income¹ received from standpipe sales back to ratepayers on a monthly basis. The surcredit would be calculated as follows: the income from standpipe sales during the month, divided by the gallons (in thousands) of non-standpipe water sold in the month, would equal the credit per 1,000 gallons for the month. The surcredit rate would then be applied to the gallons billed (in thousands) to each customer. [EXAMPLE: Assume the Company receives \$1,000 in income from standpipe sales and sells 2,000,000 gallons of non-standpipe water during the month. Under that scenario, each customer would receive a \$0.50 credit per 1,000 gallons used during the month.]

Staff has dedicated considerable time evaluating the ALJ's surcredit alternative, and to identifying the assumptions that would need to be delineated in order to make such a surcredit mechanism functional.

Before discussing the complexities associated with identifying/defining the necessary surcredit mechanism billing rate assumption that would need to be made, Staff would first note that the ALJ's suggestion that the Utility Source, L.L.C. ("Utility Source" or "Company") rate base first be revised upward to reflect inclusion of the Company's investment in the standpipe and standpipe-related facilities would immediately burden non-standpipe customers with higher base rates without any assurance that the ultimate value of the standpipe surcredit will equal or exceed the required initial increase in base rates. Corresponding to this point is a concern that the timing of when the surcredits would show up on customer bills is unclear. Clearly the timing associated with the impact of these two considerations would be disjointed.

¹ Income for this purpose would be defined as revenues minus variable costs for purchased pumping power and chemical treatment.

The surcredit billing rate calculation assumptions that would need to be defined include the following:

1. the standpipe investment level to be used and the applicable depreciation rate(s) for these standpipe facilities;
2. the Rate of Return ("ROR") to be utilized;
3. the average cost per 1,000 gallons for pumping costs and water treatment costs or the incremental standpipe sales;
4. the surcredit tariff design, including defining the non-standpipe sales volumes to be utilized in calculating the per 1,000 gallon surcredit billing rate to be used during each surcredit billing period;
5. the monthly and/or annual surcredit true-up requirements; and,
6. how to facilitate, or otherwise give consideration to the Company's recovery of its authorized ROR and the incremental standpipe facility-related expense recoveries.

Working through items 4 through 6 above could be a very complex undertaking. Beyond the problem/risk of not having the data necessary to establish, and then update, the surcredit rate calculation assumptions on a timely basis, Staff believes that the surcredit mechanism as proposed by the ALJ would be burdensome to administer since the mechanism would require monthly updating of the surcredit billing rate. Even if acceptable data was generated and provided on a timely basis, a significant amount of time would be required on the part of the Company and Staff as support for the monthly billing rate updates were continually developed, provided to Staff, reviewed, and ultimately approved. Further, with regards to the suggested monthly surcredit billing rate update, Staff would note that the Company's monthly non-standpipe sales level vary rather substantially by month, so this is going to present another challenge since the spread of surcredits back to customers each month will need to be based upon different anticipated non-standpipe sales volumes each month. Finally, it would be a challenge to define, and then meet, an effective date for each monthly surcredit mechanism billing rate change.

STAFF GENERAL COMMENT ON ALJ'S STATEMENT REGARDING SAFEGUARDING THE PUBLIC INTEREST:

Staff agrees with the ALJ that safeguarding the public interest is of upmost concern.

Staff continues to believe that the development of Commission-approved rates for non-standpipe customers, resulting from this filing, should give specific consideration to the significant revenue stream currently flowing to Utility Source from the new standpipe facility. Evidence clearly indicates that the actual monthly sales volumes from the standpipe facility have averaged approximately 564,000 gallons per month and that the statements made by Mr. McCleve on page 4, lines 23 through 28 of his rebuttal testimony, are highly inaccurate at best².

² Mr. McCleve states that "Staff seems to assert that the Company will sell 200,000 gallons every month, which is very improbable especially during the winter. The 200,000-gallon estimate is the maximum that could be served, not a projection of what will be served. Put another way, it is a peak demand estimate that might occur some year, not a monthly estimate that will occur every year."

STAFF NEW PREFERRED RECOMMENDATION FOR SETTING STANDPIPE FACILITY RATES DEVELOPED IN RESPONSE TO ALJ DIRECTIVE:

Staff is presenting a new alternative in response to the surcredit option raised by the ALJ. Details of this new recommendation follow, and Staff now prefers this new alternative over the recommendation to impute \$56,250 in revenues from the standpipe operation addressed on page 9, lines 6 through page 10, line 11, of Staff witness Jorn. Keller's surrebuttal testimony:

The new alternative is to isolate the standpipe facility as a separate standalone operation for ratemaking purposes.

Under this new alternative, Staff recommends that a Commission-authorized rate for standpipe sales volumes be set at \$18.86 per 1,000 gallons. Staff's calculation supporting this \$18.86 per 1,000 gallon billing rate is shown on pages 1 of 4 and 2 of 4 of Attachment A to this Staff response. Staff is also including Attachment B which identifies and explains the assumptions and calculation drivers appearing in Attachment A. Staff notes that its recommended rate of \$18.86 per 1,000 gallons for standpipe sales is comparable to the rate of \$21.75 per 1,000 gallons requested by the Company.

If this standpipe rate setting alternative is approved by the Commission, certain elements of Staff's surrebuttal non-standpipe rate recommendations will need to be revised in order to reallocate a reasonable level of transmission and distribution main investment (Plant Account No. 331), and to remove operating expenses currently included in Staff Surrebuttal Schedule JLK-W7 that would now be recovered from non-standpipe customers.³

REVISED NON-STANDPIPE RATES.

The schedules in Attachment C reflect minor changes in Staff's surrebuttal recommendations resulting from additional information received from the Company since Staff's surrebuttal recommendations were filed.

For ratemaking purposes, Staff's \$18.86 per 1,000 gallon billing rate for standpipe sales is based upon the various assumptions presented within Attachment A, pages 1 and 2 of 4 which include a primary assumption that 30 percent of the Well No. 4 investment identified by the Company would be needed to support standpipe sales. However, Staff recognizes that from an

³ Referring to Staff Attachment A, page 2 of 4. Staff believes it would be reasonable to remove \$5,000 of rate case expense (column D, line 11) and assign this expense to the standpipe operations. Further Staff would recommend removing 25% of the operating expenses shown on lines 27 through line 34, of column C. The total of such O&M expense allocations to standpipe operations would be \$16,019. Finally, \$808 or 25% of the depreciation on mains included within line 35, column C, of this Schedule would be assigned to the standpipe operations. A corresponding plant reduction of \$40,408, and a accumulated depreciation reserve reduction of \$6,364 would be needed to reflect the reallocation of this investment level to the standpipe operations. In total \$21,827 in operating expenses would be recognized as a part of the cost of service for the Company's standpipe operations. Concurrently \$21,827 in operating costs would need to be removed from the cost-of-service of the non-standpipe customer. The development of these investment and cost level reallocations are explained further in Staff Attachments A and B.

Engineering perspective, Well No. 4 is either needed or it is not, so we have also included a billing rate for standpipe sales if the Company's full investment in Well No. 4 is given consideration in setting required rates for the standpipe sales. Under such an assumption the billing rate would be \$39.25 per 1,000 gallons. This rate is developed in Attachment A, pages 3 and 4 of 4.

Staff notes that, but for the 2014 standpipe facility investment estimates, it is using 2012 test year expenses and net plant balances in its Attachment A calculations. This was done to maintain consistency in rate setting for the non-standpipe and standpipe customers.

If this alternative is adopted by the Commission, the parties recognize that rate case expense is to be normalized over a five year period. Staff recommends that the Commission direct the Company to file monthly standpipe sales volumes reports every six months, each July and January, until the filings of the Company's next full rate review. The first such report would cover the period January 1, 2015 through June 30, 2015 and would need to be filed by July 31, 2015. The next report would cover the period July 1, 2015 through December 31, 2015 and would need to be filed by January 31, 2016.

The Commission should also direct the Company to docket a full rate review (for both its standpipe rates and non-standpipe rates) by June 30, 2019 using a test year ending no later than calendar year 2018.

Utility Source

Docket No. 13-0331

Calculation of Standpipe Rate - 30% of Well No. 4 Assumption

Attachment A

Page 1 of 4

Line No.	A	
1	\$ 65,901	Standpipe Facility Cost Estimate No. 1 From Company Data Request Response
2	162,253	Standpipe Facility Cost Estimate No. 2 From Company Data Request Response
3	\$ 228,154	Total of the Two Cost Estimates
4	÷ 2	
5	\$ 114,077	Average Cost Estimate for Standpipe Facility
7	\$ 114,077	Average Cost for Standpipe Facility From Line 5
8	x 3.33%	Depreciation Rate for Standpipe Facility
9	\$ 3,799	Annual Depreciation Expense for Standpipe
10	\$ 114,077	Average Cost for Standpipe Facility From Line 5
11		
12	161,632	Transmission & Distribution Mains
13	(25,457)	Accumulated Depreciation Reserve
14	\$ 136,175	Net Mains
15	25%	Percentage of Mains to Standpipe
16	\$ 34,044	Portion of Mains Allocated to Standpipe
17	\$ 1,488,899	Well No. 4 - Gross Investment From Company's Filing
18	(294,821)	Accumulated Depreciation Reserve for Well No. 4 From Company's Filing
19	\$ 1,194,078	Net Plant for Well No. 4 Line 15 + Line 20
20	x 30%	Percentage of Well No. 4 Allocated to Standpipe Attachment B, page 2
21	\$ 358,223	Portion of Well No. 4 Allocated to Standpipe
22	\$ 506,344	Fair Value Rate Base Investment for Standpipe
23	x 9.80%	Rate of Return
24	\$ 49,622	
25	x 1.262	Income Tax Gross Up
26	\$ 62,623	Operating Income plus Income Taxes
27	\$ 3,799	Depreciation - standpipe facility (\$114,077 x 3.33%)
28	14,874	Depreciation Well No. 4 (\$1,488,899 x 30% x 3.33%)
29	808	Depreciation Mains (\$161,632 x 25% x 2.00%)
30	22,267	Purchased Power Costs Attachment B, page 3
31	1,000	Annual Licensing Fee
32	487	Chemical Costs Attachment B, page 3
33	\$ 105,858	Total Capital Costs Assignable to Standpipe Operations L 32 + L 33 + L 34 + L 35
34	21,827	O&M - Assignable to Standpipe Operations From Column B, Line 36
35	\$ 127,685	Total Revenue Requirement - Standpipe L 36 + L 37
36		
37	6,770,592	Sales Volumes gallons
38	6,771	Sales Volumes in 1,000 gallon increments (6,770,592 / 1,000)
39		
40	\$ 18.86	Standpipe Rate - Per 1,000 gallons (\$126,685 / 6,771 1,000 gallons)

Line No.	A	B	C	D	E
1	Standpipe Facility Cost Estimate No. 1	\$ 65,901	From Company Data Request Response		
2	Standpipe Facility Cost Estimate No. 2	162,253	From Company Data Request Response		
3	Total of the Two Cost Estimates	\$ 228,154			
4		2			
5	Average Cost Estimate for Standpipe Facility	\$ 114,077			
7	Average Cost for Standpipe Facility	\$ 114,077	From Line 5		
8	Depreciation Rate for Standpipe Facility	3.33%			
9	Annual Depreciation Expense for Standpipe	\$ 3,799			
10	Average Cost for Standpipe Facility	\$ 114,077	From Line 5		
11					
12	Transmission & Distribution Mains	161,632			
13	Accumulated Depreciation Reserve	(25,457)			
14	Net Mains	\$ 136,175			
15	Percentage of Mains to Standpipe	25%			
16	Portion of Mains Allocated to Standpipe	\$ 34,044			
17	Well No. 4 - Gross Investment	\$ 1,488,899	From Company's Filing		
18	Accumulated Depreciation Reserve for Well No. 4	(294,821)	From Company's Filing		
19	Net Plant for Well No. 4	\$ 1,194,078	Line 15 + Line 20		
20	Percentage of Well No. 4 Allocated to Standpipe	30%	Attachment B, page 2		
21	Portion of Well No. 4 Allocated to Standpipe	\$ 358,223			
22	Fair Value Rate Base Investment for Standpipe	\$ 506,344			
23	Rate of Return	x 9.80%			
24		\$ 49,622			
25	Income Tax Gross Up	x 1.262			
26	Operating Income plus Income Taxes	\$ 62,623			
27	Depreciation - standpipe facility	\$ 3,799	(\$114,077 x 3.33%)		
28	Depreciation Well No. 4	14,874	(\$1,488,899 x 30% x 3.33%)		
29	Depreciation Mains	808	(\$161,632 x 25% x 2.00%)		
30	Purchased Power Costs	22,267	Attachment B, page 3		
31	Annual Licensing Fee	1,000			
32	Chemical Costs	487	Attachment B, page 3		
33	Total Capital Costs Assignable to Standpipe Operations	\$ 105,858	L 32 + L 33 + L 34 + L 35		
34	O&M - Assignable to Standpipe Operations	21,827	From Column B, Line 36		
35	Total Revenue Requirement - Standpipe	\$ 127,685	L 36 + L 37		
36					
37	Sales Volumes	6,770,592	gallons		
38	Sales Volumes in 1,000 gallon increments	6,771	(6,770,592 / 1,000)		
39					
40	Standpipe Rate - Per 1,000 gallons	\$ 18.86	(\$126,685 / 6,771 1,000 gallons)		

Rate Case Expense Allocation to Standpipe	years	\$ 50,000
	5	
		\$ 10,000
	2	
Rate Case Expense to Standpipe		\$ 5,000

Revenues	O&M Allocations to Standpipe	
M&S	\$ 12,257	25% \$ 3,064
Office Supplies	2,399	25% 600
Accounting	20,253	25% 5,063
Professional	9,651	25% 2,413
Water Testing	1,470	25% 368
Insurance	2,186	25% 547
Mics	15,860	25% 3,965
	\$ 64,076	\$ 16,019
Depreciation	3,233	25% 808
	\$ 67,309	\$ 16,827
	26.0%	25%
Rate case expense		5,000
		\$ 21,827

Utility Source

Docket No. 13-0331

Attachment A

Page 3 of 4

Calculation of Standpipe Rate - 100% of Well No. 4 Assumption

Line No.	A	
1	\$ 65,901	Standpipe Facility Cost Estimate No. 1 From Company Data Request Response
2	162,253	Standpipe Facility Cost Estimate No. 2 From Company Data Request Response
3	\$ 228,154	Total of the Two Cost Estimates
4	÷ 2	
5	\$ 114,077	Average Cost Estimate for Standpipe Facility
7	\$ 114,077	Average Cost for Standpipe Facility From Line 5
8	x 3.33%	Depreciation Rate for Standpipe Facility
9	\$ 3,799	Annual Depreciation Expense for Standpipe
10	\$ 114,077	Average Cost for Standpipe Facility From Line 5
11		
12	161,632	Transmission & Distribution Mains
13	(25,457)	Accumulated Depreciation Reserve
14	\$ 136,175	Net Mains
15	25%	Percentage of Mains to Standpipe
16	\$ 34,044	Portion of Mains Allocated to Standpipe
17	\$ 1,488,899	Well No. 4 - Gross Investment From Company's Filing
18	(294,821)	Accumulated Depreciation Reserve for Well No. 4 From Company's Filing
19	\$ 1,194,078	Net Plant for Well No. 4 Line 15 + Line 20
20	x 100%	Percentage of Well No. 4 Allocated to Standpipe Attachment B, page 2
21	\$ 1,194,078	Portion of Well No. 4 Allocated to Standpipe
22	\$ 1,342,199	Fair Value Rate Base Investment for Standpipe
23	x 9.80%	Rate of Return
24	\$ 131,535	
25	x 1.262	Income Tax Gross Up
26	\$ 165,998	Operating Income plus Income Taxes
27	\$ 3,799	Depreciation - standpipe facility (\$114,077 x 3.33%)
28	49,580	Depreciation Well No. 4 (\$1,488,899 x 30% x 3.33%)
29	808	Depreciation Mains (\$161,632 x 25% x 2.00%)
30	22,267	Purchased Power Costs Attachment B, page 3
31	1,000	Annual Licensing Fee
32	487	Chemical Costs Attachment B, page 3
33	\$ 243,939	Total Capital Costs Assignable to Standpipe Operations L 32 + L 33 + L 34 + L 35
34	21,827	O&M - Assignable to Standpipe Operations From Column B, Line 36
35	\$ 265,766	Total Revenue Requirement - Standpipe L 36 + L 37
36		
37	6,770,592	Sales Volumes gallons
38	6,771	Sales Volumes in 1,000 gallon increments (6,770,592 / 1,000)
39		
40	\$ 39.25	Standpipe Rate - Per 1,000 gallons (\$126,685 / 6,771 1,000 gallons)

Calculation of Standpipe Rate - 100% of Well No. 4 Assumption

Line No.	A	B	C	D	E
1	Standpipe Facility Cost Estimate No. 1				
2	Standpipe Facility Cost Estimate No. 2	\$ 65,901	From Company Data Request Response		
3	Total of the Two Cost Estimates	162,253	From Company Data Request Response		
4		\$ 228,154			
5	Average Cost Estimate for Standpipe Facility	2			
6		\$ 114,077			
7	Average Cost for Standpipe Facility				
8	Depreciation Rate for Standpipe Facility	\$ 114,077	From Line 5		
9	Annual Depreciation Expense for Standpipe	x 3.33%			
10		\$ 3,799			
11	Average Cost for Standpipe Facility	\$ 114,077	From Line 5		
12	Transmission & Distribution Mains	161,632			
13	Accumulated Depreciation Reserve	(25,457)			
14	Net Mains	\$ 136,175			
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16	Portion of Mains Allocated to Standpipe	\$ 34,044			
17	Well No. 4 - Gross Investment	\$ 1,488,899	From Company's Filing		
18	Accumulated Depreciation Reserve for Well No. 4	(294,821)	From Company's Filing		
19	Net Plant for Well No. 4	\$ 1,194,078	Line 15 + Line 20		
20	Percentage of Well No. 4 Allocated to Standpipe	x 100% Attachment B, page 2			
21	Portion of Well No. 4 Allocated to Standpipe	\$ 1,194,078			
22	Fair Value Rate Base Investment for Standpipe	\$ 1,342,199			
23	Rate of Return	x 9.80%			
24	Income Tax Gross Up	\$ 131,535			
25	Operating Income plus Income Taxes	x 1.262			
26		\$ 165,998			
27	Depreciation - standpipe facility	\$ 3,799	(\$114,077 x 3.33%)		
28	Depreciation Well No. 4	49,580	(\$1,488,899 x 30% x 3.33%)		
29	Depreciation Mains	808	(\$161,632 x 25% x 2.00%)		
30	Purchased Power Costs	22,267	Attachment B, page 3		
31	Annual Licensing Fee	1,000			
32	Chemical Costs	487	Attachment B, page 3		
33	Total Capital Costs Assignable to Standpipe Operations	\$ 243,939	L 32 + L 33 + L 34 + L 35		
34	O&M - Assignable to Standpipe Operations	21,827	From Column B, Line 36		
35	Total Revenue Requirement - Standpipe	\$ 265,766	L 36 + L 37		
36	Sales Volumes	6,770,592	gallons		
37	Sales Volumes in 1,000 gallon increments	6,771	(6,770,592 / 1,000)		
38	Standpipe Rate - Per 1,000 gallons	\$ 39.25	(\$265,766 / 6,771 1,000 gallons)		
39					
40					

Rate Case Expense Allocation to Standpipe	years	\$ 50,000
	5	
Rate Case Expense to Standpipe		\$ 10,000
	2	
		\$ 5,000

Revenues	O&M Allocations to Standpipe	
M&S	\$ 12,257	25% \$ 3,064
Office Supplies	2,399	25% 600
Accounting	20,253	25% 5,063
Professional	9,651	25% 2,413
Water Testing	1,470	25% 368
Insurance	2,186	25% 547
Misc	15,860	25% 3,965
	\$ 64,076	\$ 16,019
Depreciation	3,233	25% 808
	\$ 67,309	\$ 16,827
	42.2%	25%
Rate case expense		5,000
		\$ 21,827

Utility Source
Docket No. 13-0331
Staff Response to ALJ Directive

Attachment B

The following source references, and general standpipe rate development explanations, relate to the information presented within Staff's Attachment A. Staff believes that these assumptions represent reasonable estimates, and Staff supports the resulting rate to be used for bulk water sales made from Utility Sources' Standpipe Facility.

Attachment A - Overview Comment

The general flow of the \$18.86 per 1,000 gallon billing rate development shown on Attachment A follows a traditional approach to ratemaking, where the total annual cost of service (\$127,685 – Line 35) to be targeted for recovery through rates. An ROR (9.8% - Line 23), was applied to the assumed fair value rate base of \$506,344 (Line 22), while also factoring in a reasonable income tax gross-up factor (1.262 – Line 25), plus annualized operating expenses of \$65,062 (the sum of Lines 27 through 32 plus line 34) and then dividing the total cost of service of \$127,685 by the expected annual sales volumes expressed in 1,000 gallon increments (6,771 k gallons – Line 37). This results in a standpipe billing rate of \$18.86 per 1,000 shown on line 40 of Attachment A pages 1 of 4, and 2 of 4.

Attachment A, page 1 of 2

Reference within Attachment: Lines 1 through 5 of column A	1
Explanation: The standpipe facility cost estimates contained on lines 1 and 2 represent estimates provided by the Company in response to Staff Data Request Nos. JLK 2.2 and JLK 9.3. The simple average of these two amounts is used in this analysis (see line 5). Line 9 reflects a full year's depreciation expense on this average investment. This depreciation expense is carried to line 27.	

Reference within Attachment: Lines 12 through 16 of column A	2
<p>Explanation: The Company's investment in Mains (account no. 331), and the related accumulated depreciation reserve for this account were taken from Application Schedules B-2, page 3 and B-2, page 4, line 23 on each Schedule.</p>	

Reference within Attachment: Lines 17 through 19 of column A	3
<p>The Well No. 4 investment cost, and related accumulated depreciation reserve were taken from Schedules B-2, page 3.2 and B-2, page 4 of the Company's Application.</p>	

Reference within Attachment: Line 20 of column A	4
<p>Explanation: Staff is assuming that 30% of Well No. 4 would be needed to support the standpipe water demand. The Company indicated in response to Staff Data Request Nos. JLK 6.2 and JLK 6.3 that effectively the standpipe will use water delivered from all existing wells. While the Company's active wells are able to serve existing non-standpipe throughput without relying on Well No. 4 capacity, the incremental throughput associated with the standpipe will require reliance upon a portion of the Well No. 4 delivery capacity. Since we do not know what the peak summer demand may be for standpipe sales, giving ratemaking consideration to 30% of the Company's reported investment in Well No. 4 for purposes of setting rates for the standpipe facility was deemed to be reasonable.</p>	

Reference within Attachment: Lines 23 through 26	5
Explanation: The 9.8 % ROR and 1.262 income tax gross-up factor come from Staff Surrebuttal Schedule JLK-W1.	

Reference within Attachment: Lines 27 through 29 of column A	6
Explanation: These depreciation rates used on these three lines represent the rates advocated by Staff for the applicable plant accounts as shown on Staff Surrebuttal Schedule JLK-W10.	

Reference within Attachment: Lines 30 and 32 of column A	7
Explanation: These cost estimates are based upon the average cost per 1,000 gallons for purchased power and chemical costs incurred in the test year, multiplied by the standpipe annualized sales volume of 6,770,592 shown on Line 19. Test year costs were \$66,787 and \$1,460 respectively (as shown on Staff Surrebuttal Schedule JLK-W7, lines 9 and 10 of Column E.)	

Reference within Attachment: Line 31 of column A	8
Explanation: Staff estimates that the Company will pay approximately \$1,000 annually in licensing fees to WaterProducts to meter transactions at the standpipe facility. Fee is \$0.23 per standpipe sale transaction.	

Reference within Attachment: Line 34	9
<p>Explanation: \$21,827 represents the level of annual operating expenses being allocated to the standpipe operations. This same level of expenses will need to be removed from the non-standpipe cost-of-service before the new rate design applicable to these customers is developed. The expenses being removed are developed on Attachment A, page 2 of 2, columns B, C, D, and E. Staff's Attachment C Schedules reflect the investment and operating expense eliminations that correspond to the allocations captured on lines 29 and 34 of column A.</p>	

Reference within Attachment: Line 35 of column A	10
<p>Explanation: As previously noted, \$127,685 represents the total annual cost-of-service for standpipe operations. The \$18.86 per 1,000 gallon rate on Line 40 was designed to recovery this level of annual revenues.</p>	

Reference within Attachment: Lines 37 and 38 of column A	11
<p>Explanation: Staff's estimated annualized sales volume for the standpipe facility is 6,770,592 gallons. This is the average of the sales for the standpipe for October, November, and December of 2014 as reported by the Company in response to RUCO Data Request No. 2.01. This average was multiplied by 12 to get the annualized sales level.</p>	

Reference within Attachment: Line through 40 of column A	12
<p>Explanation: As previously noted, a rate of \$18.86 per 1,000 gallons is the indicated appropriate rate to be used for standpipe facility sales.</p>	

Attachment A, page 2 of 2

Reference within Attachment: Lines 1 through 40 of column A	13
Explanation: This information is a repeat of the information shown on Attachment A, page 1 of 2.	

Reference within Attachment: Lines 5 through 11 of column B through E	14
Explanation: A total rate case expense of \$50,000 is being allocated equally between the standpipe operation and the non-standpipe operations. A 5-year amortization period is used. 50%, or \$5,000, of the annual rate case expense shown on Staff Surrebuttal Schedule JLK-W7, line 21, column E is being assigned to the standpipe operations. Without a doubt assessing and developing standpipe issues have driven virtually of the activities and costs associated with the processing of the Company's Application since the ALJ approved the RUCO, Mr. Erik Nielsen, and Mr. Terry Fallon intervention requests in a Procedural Order dated July 16, 2014. Within this same Procedural Order, the ALJ also acknowledged the need to evaluate and give reasonable consideration to issues related to the Company's standpipe facility.	

Reference within Attachment: Lines 27 through 40, columns B through E	15
Explanation: Within these columns and lines, the operating expenses being assigned to the standpipe operations are developed and supported. The total expense levels at issue come from Staff Surrebuttal Schedule, lines 9 through 23 of Column E. The reasonableness of the 25% allocation percent is supported by the ratio of standpipe to non-standpipe revenue levels identified within Column B. A total of \$21,827 in annualized operating costs is being allocated to the standpipe operations.	

Utility Source

Docket No. 13-0331

Staff Response to ALJ Directive

Attachment C

The rate development Schedules contained within Attachment C to this Staff response to the ALJ's November 18, 2014 directive **reflect the resulting non-standpipe rates currently being advocated by Staff.** These rates give consideration to the investment and operating expense allocations being made to the standpipe operations as discussed within the previous sections of this Staff Report.

The allocation of 25% of the Company's investment in Mains to the standpipe operations is captured on Schedule JLK-W-4, column D, and within Schedule JLK-W-11, column B

The allocation of 50% of rate case expense to standpipe operations is captured on Schedule JLK-W-18.

The allocation of 25% of operating expense to the standpipe operation is captured on Schedule JLK-W-10.

These adjustments flow to other Schedules, and ultimately to the level of annual rate increase of \$157,794 being advocated by Staff. This is shown on Schedule JLK-W-1, line 8 of columns C and D.

Staff's recommended rate design and typical bill analysis are shown on Schedules JLK-W-20 and JLK-W-21.

UTILITY SOURCE, LLC, Water Division

Docket No. WS-04235A-13-0331

Test Year Ended December 31, 2012

TESTIMONY OF JORN L. KELLER

TABLE OF CONTENTS TO SCHEDULES JLK

<u>SCH #</u>	<u>TITLE</u>
JLK-1	Revenue Requirement
JLK-2	Gross Revenue Conversion Factor
JLK-3	Rate Base - Original Cost
JLK-4	Summary of Original Cost Rate Base Adjustments
JLK-5	Original Cost Rate Base Adjustment #1 - Accumulated Depreciation
JLK-6	Original Cost Rate Base Adjustment #2 - Accumulated Amortization of CIAC
JLK-7	Operating Income - Test Year and Staff Recommended
JLK-8	Summary of Operating Income Adjustments - Test Year
JLK-9	Operating Adjustment #1 - Operating Revenue
JLK-10	Operating Adjustment #2 - Allocated Expense
JLK-11	Operating Adjustment #2 - Depreciation Expense
JLK-12	Operating Adjustment #3 - Water Testing Expense
JLK-13	Operating Adjustment #4 - Automobile Expense
JLK-14	Operating Adjustment #5 - Telephone Expense
JLK-15	Operating Adjustment #6 - Utility Expense
JLK-16	Operating Adjustment #7 - Office Rent
JLK-17	Operating Adjustment #8 - Purchased Power
JLK-18	Operating Adjustment #9 - Rate Case Expense
JLK-19	Operating Adjustment #10 - Property Tax Expense
JLK-20	Operating Adjustment #11 - Income Tax
JLK-21	Rate Design
JLK-22	Typical Bill Analysis

REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	[A]		[B]		[C]		[D]	
		COMPANY ORIGINAL COST		COMPANY FAIR VALUE		STAFF ORIGINAL COST		STAFF FAIR VALUE	
1	Adjusted Rate Base	\$	1,576,462	\$	1,576,462	\$	1,457,822	\$	1,457,822
2	Adjusted Operating Income (Loss)	\$	(8,264)	\$	(8,264)	\$	17,761	\$	17,761
3	Current Rate of Return (L2 / L1)		-0.52%		-0.52%		1.22%		1.22%
4	Required Rate of Return		11.00%		11.00%		9.80%		9.80%
5	Required Operating Income (L4 * L1)	\$	173,411	\$	173,411	\$	142,867	\$	142,867
6	Operating Income Deficiency (L5 - L2)	\$	181,675	\$	181,675	\$	125,106	\$	125,106
7	Gross Revenue Conversion Factor		1.2650		1.2650		1.2613		1.2613
8	Required Revenue Increase (L7 * L6)	\$	229,819	\$	229,819	\$	157,794	\$	157,794
9	Adjusted Test Year Revenue	\$	208,004	\$	208,004	\$	206,184	\$	206,184
10	Proposed Annual Revenue (L8 + L9)	\$	437,823	\$	437,823	\$	363,978	\$	363,978
11	Required Increase in Revenue (%)		110.49%		110.49%		76.53%		76.53%

References:

Column (A): Company Schedule B-1

Column (B): Company Schedule B-1

Column (C): Staff Schedules OCRB, GRCF, TYOI & COC

Column (D): Staff Schedules OCRB, GRCF, TYOI & COC

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	[A]	[B]	[C]	[D]
<u>Calculation of Gross Revenue Conversion Factor:</u>					
1	Revenue	100.0000%			
2	Uncollectible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Tax Rate (Line 17) + Property Tax Factor (Line 22)	20.7160%			
5	Subtotal (L3 - L4)	79.2840%			
6	Revenue Conversion Factor (L1 / L5)	1.261288			
<u>Calculation of Uncollectible Factor:</u>					
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	19.9880%			
9	One Minus Combined Income Tax Rate (L7 - L8)	80.0120%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0			
<u>Calculation of Effective Tax Rate:</u>					
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	3.1486%			
14	Federal Taxable Income (L12 - L13)	96.8514%			
15	Applicable Federal Income Tax Rate (Line 44)	17.3868%			
16	Effective Federal Income Tax Rate (L14 x L15)	16.8394%			
17	Combined Federal and State Income Tax Rate (L13 + L16)	19.9880%			
<u>Calculation of Effective Property Tax Factor</u>					
18	Unity	100.0000%			
19	Combined Federal and State Tax Rate (Line 17)	19.9880%			
20	One Minus Combined Income Tax Rate (L18 - L19)	80.0120%			
21	Property Tax Factor (XXX-18, L24)	0.9099%			
22	Effective Property Tax Factor (L 21 * L 22)	0.007279951			
23	Combined Federal and State Tax and Property Tax Rate (L17+L22)		20.7160%		
24	Required Operating Income (Schedule JLK-1, Line 5)	\$ 142,867			
25	Adjusted Test Year Operating Income (Loss) (Schedule JLK-1, Line 14)	\$ 17,761			
26	Required Increase in Operating Income (L24 - L25)		\$ 125,106		
27	Income Taxes on Recommended Revenue (Col. (D), L52)	\$ 35,690			
28	Income Taxes on Test Year Revenue (Col. (B), L52)	\$ 4,436			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ 31,253		
30	Recommended Revenue Requirement (Schedule JLK-1, Line 10)	\$ 363,978			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -			
33	Adjusted Test Year Uncollectible Expense	\$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)		\$ -		
35	Property Tax with Recommended Revenue (JLK-18, L19)	\$ 8,900			
36	Property Tax on Test Year Revenue (JLK-18, L 16)	\$ 7,464			
37	Increase in Property Tax Due to Increase in Revenue (XXX-18, L22)		\$ 1,436		
38	Total Required Increase in Revenue (L26 + L30 + L34+L37)		\$ 157,795		
<u>Calculation of Income Tax:</u>					
		Test Year		STAFF Recommended	
39	Revenue (Schedule JLK-15, Col.(C), Line 5 & Sch. JLK-1, Col. (C), Line 10)	\$ 206,184	\$ 157,794	\$ 363,978	
40	Operating Expenses Excluding Income Taxes	183,987	1,436	185,423	
41	Synchronized Interest (L47)	-		-	
42	Arizona Taxable Income (L36 - L37- L38)	\$ 22,197		\$ 178,556	
43	Arizona State Income Tax Rate	3.1480%		3.1486%	
44	Arizona Income Tax (L39 x L40)		\$ 698		\$ 5,622
45	Federal Taxable Income (L33 - L35)	\$ 21,499		\$ 172,934	
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 3,738		\$ 30,068	
47	Federal Tax on Second Income Bracket N/A	\$ -			
48	Federal Tax on Third Income Bracket N/A	\$ -			
49	Federal Tax on Fourth Income Bracket N/A	\$ -			
50	Federal Tax on Fifth Income Bracket N/A	\$ -			
51	Total Federal Income Tax		\$ 3,738		\$ 30,068
52	Combined Federal and State Income Tax (L35 + L42)		\$ 4,436		\$ 35,690
53	Applicable Federal Income Tax Rate [Col. (D), L42 - Col. (B), L42] / [Col. (C), L36 - Col. (A), L36]				17.38680%
<u>Calculation of Interest Synchronization:</u>					
54	Rate Base (ScheduleJLK-3, Col. (C), Line (17))	\$ 1,451,459			
55	Weighted Average Cost of Debt	0.00%			
56	Synchronized Interest (L45 X L46)	\$ -			

RATE BASE - ORIGINAL COST/FAIR VALUE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED
1	Plant in Service	\$ 2,496,640	\$ (132,408)	\$ 2,364,232
2	Less: Accumulated Depreciation	716,485	(7,404)	709,081
3	Net Plant in Service	<u>\$ 1,780,155</u>	<u>\$ (125,004)</u>	<u>\$ 1,655,151</u>
<u>LESS:</u>				
4	Net Contribution in Aid-of Construction (CIAC)	\$ 197,807	-	\$ 197,807
5	Advances in Aid of Construction (AIAC)	-	-	-
8	Customer Deposits	5,885	-	5,885
9	Deferred Income Tax Credits	-	-	-
	Total Deductions	<u>\$ 203,692</u>	<u>\$ -</u>	<u>\$ 203,692</u>
<u>ADD:</u>				
10	Unamortized Finance Charges	\$ -	\$ -	\$ -
11	Deferred Tax Assets	-	-	-
12	Allowance for Working Capital	-	-	-
13	Intentional Left Blank	-	-	-
	Total Additions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
14	Original Cost Rate Base	<u>\$ 1,576,463</u>	<u>\$ (125,004)</u>	<u>\$ 1,451,459</u>

References:

Column (A), Company Schedule B-1
Column (B): Schedule JLK-4
Column (C): Column (A) + Column (B)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	ACCT. NO.	DESCRIPTION	[A]	[B]	[C]	[D]	[E]
			COMPANY AS FILED	Accum. Depec. ADJ #1	Accum. Amort. ADJ #2	STAFF ADJUSTED	STAFF ADJUSTED
<u>PLANT IN SERVICE:</u>							
1	301	Organization Costs	\$ -	\$ -	\$ -	\$ -	\$ -
2	302	Franchise Costs	-	-	-	-	-
3	303	Land & Land Rights	210,000	-	-	-	210,000
4	304	Structures & Improvements	72,997	-	-	-	72,997
5	307	Wells & Springs	1,353,539	-	-	-	1,261,539
6	310	Power Generation Equipment	89,125	-	-	-	89,125
7	311	Electric Pumping Equipment	158,711	-	-	-	158,711
8	320	Water Treatment Equipment	5,487	-	-	-	5,487
9	320.1	Water Treatment Plants	-	-	-	-	-
10	320.2	Solutions & Feeders	-	-	-	-	-
11	330	Distribution Reservoirs & Standpipes	321,452	-	-	-	321,452
12	330.1	Storage Tank	-	-	-	-	-
13	330.2	Pressure Tanks	-	-	-	-	-
14	331	Transmission & Distribution Mains	161,632	-	-	(40,408)	121,224
15	333	Services	86,250	-	-	-	86,250
16	334	Meters & Meter Installations	-	-	-	-	-
17	335	Hydrants	34,500	-	-	-	34,500
18	336	Backflow Prevention Devices	-	-	-	-	-
19	339	Other Plant & Misc. Equip.	-	-	-	-	-
20	340	Office Furniture & Fixtures	2,947	-	-	-	2,947
21	340.1	Computer & Software	-	-	-	-	-
22	341	Transportation Equipment	-	-	-	-	-
23	342	Store Equipment	-	-	-	-	-
24	343	Tools & Work Equipment	-	-	-	-	-
25	344	Laboratory Equipment	-	-	-	-	-
26	345	Power Operated Equipment	-	-	-	-	-
27	349	Communications Equipment	-	-	-	-	-
28	347	Miscellaneous Equipment	-	-	-	-	-
29	348	Other Intangibles	-	-	-	-	-
30		Gross Utility Plant in Service	\$ 2,496,640	\$ -	\$ -	\$ (40,408)	\$ 2,364,232
31		Less: Accumulated Depreciation	716,485	(7,404)	-	(6,364)	702,717
32		Net Utility Plant in Service (L29 - L30)	\$ 1,780,154	\$ 7,404	\$ -	\$ (34,044)	\$ 1,661,514
<u>DEDUCTIONS</u>							
33		Contributions in Aid of Construction (CIAC)	\$ 294,745	\$ -	\$ -	\$ -	\$ 294,745
34		Less: Accumulated Amortization	96,938	-	-	-	96,938
35		Net CIAC (L32 - L33)	\$ 197,807	\$ -	\$ -	\$ -	\$ 197,807
36		Advances in Aid of Construction (AIAC)	-	-	-	-	-
37		Customer Meter Deposits	5,885	-	-	-	5,885
38		Deferred Income Tax Credits	-	-	-	-	-
39		Total Deductions	\$ 203,692	\$ -	\$ -	\$ -	\$ 203,692
<u>ADDITIONS:</u>							
37		Unamortized Finance Charges	\$ -	\$ -	\$ -	\$ -	\$ -
38		Deferred Tax Assets	-	-	-	-	-
39		Allowance for Working Capital	-	-	-	-	-
40		Intentional Left Blank	-	-	-	-	-
41		Total Additions	\$ -	\$ -	\$ -	\$ -	\$ -
42		ORIGINAL COST RATE BASE	\$ 1,576,462	\$ 7,404	\$ -	\$ (34,044)	\$ 1,457,822

RATE BASE ADJUSTMENT NO. 1 - ACCUMULATED DEPRECIATION

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJUSTMENT	(C) STAFF ADJUSTED
1	Accumulated Depreciation	\$ 716,485	\$ (7,404)	\$ 709,081

REFERENCES:

Column (A): Company Schedule B-2
Column (B): Testimony, P. 13
Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division
Docket No. WS-04235A-13-0331
Test Year Ended December 31, 2012

Schedule JLK-W6

RATE BASE ADJUSTMENT NO. 2 - Accumulative Amortization of CIAC

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] ADJUSTMENT	[C] STAFF ADJUSTED
1	Accumulated Amortization of CIAC	\$ 96,938	\$ -	\$ 96,938

REFERENCES:

Column [A]: Company Schedule B-2

Column [B]: Direct Testimony, P. 9

Column [C]: Column [A] + Column [B]

OPERATING INCOME STATEMENT - ADJUSTED TEST YEAR AND STAFF RECOMMENDED

LINE NO.	DESCRIPTION	[A] COMPANY ADJUSTED TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	ADJ	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF RECOMMENDED
1	REVENUES:						
2	Metered Water Sales	\$ 202,743	\$ -		\$ 202,743	\$ 157,794	\$ 360,537
3	Water Sales - Unmetered	-	-		-	-	-
4	Other Operating Revenue	5,261	(1,820)	1	3,441	-	3,441
5	Total Operating Revenues	<u>\$ 208,004</u>	<u>\$ (1,820)</u>		<u>\$ 206,184</u>	<u>\$ 157,794</u>	<u>\$ 363,978</u>
6	OPERATING EXPENSES:						
7	Salaries & Wages	\$ -	\$ -		\$ -	\$ -	\$ -
8	Purchased Water	-	-		-	-	-
9	Purchased Power	66,787	(526)		66,261	-	66,261
10	Chemicals	1,460	-		1,460	-	1,460
11	Materials & Supplies	12,257	(3,064)		9,193	-	9,193
12	Office Supplies & Expense	2,399	(600)		1,799	-	1,799
13	Contractual Services - Accounting	20,253	(5,063)		15,190	-	15,190
14	Contractual Services - Professional	9,651	(2,413)		7,238	-	7,238
15	Outside services	-	-		-	-	-
16	Water Testing	8,107	(8,101)	3	6	-	6
17	Rents	-	6,014		6,014	-	6,014
18	Transportation Expense	-	-		-	-	-
19	Insurance - General Liability	2,186	(547)		1,639	-	1,639
20	Insurance - Health & Life	-	-		-	-	-
21	Regulatory Commission Expense	10,000	(5,000)	6	5,000	-	5,000
22	Miscellaneous Expense	19,976	(10,434)	4,5	9,542	-	9,542
23	Depreciation Expense	57,728	(4,546)	2	53,182	-	53,182
24	Taxes Other than Income	-	-		-	-	-
25	Property Taxes	7,530	(66)	7	7,464	1,436	8,900
26	Income Tax	(2,064)	6,500	8	4,436	31,253	35,690
27	Total Operating Expenses	<u>\$ 216,269</u>	<u>\$ (27,846)</u>		<u>\$ 188,423</u>	<u>\$ 32,689</u>	<u>\$ 221,112</u>
28	Operating Income (Loss)	<u>\$ (8,265)</u>	<u>\$ 26,026</u>		<u>\$ 17,761</u>	<u>\$ 125,105</u>	<u>\$ 142,867</u>

References:

Column (A): Company Schedule C-1 (TAB IS-ADJ)
Column (B): Schedule JLK-8
Column (C): Column (A) + Column (B)
Column (D): Schedules JLK 8
Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME STATEMENT ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] Water Revenue ADJ #1	[C] Allocated Exp. Adjustments ADJ #2	[D] Depr. Expense ADJ #3	[E] Water Testing ADJ #4	[F] Auto Expense ADJ #5	[F] Telephone Exp. ADJ #5	[H] Utility Exp. ADJ #7	[J] Office Rent Exp. ADJ #8	[J] Late Fee Exp. ADJ #9	[K] Rate Case Exp. ADJ #10	[L] Prop. Tax ADJ #11	[M] Income Tax ADJ #12	[L] STAFF ADJUSTED
1	REVENUES:														
2	461 Metered Water Sales	\$ 202,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,743
3	460 Water Sales - Unmetered	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	474 Other Operating Revenue	5,261	(1,820)	-	-	-	-	-	-	-	-	-	-	-	3,441
5	Total Operating Revenues	\$ 208,004	\$ (1,820)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,184
6	OPERATING EXPENSES:														
7	601 Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	610 Purchased Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	615 Purchased Power	66,787	-	-	-	-	-	-	-	-	(526)	-	-	-	66,261
10	618 Chemicals	1,460	-	-	-	-	-	-	-	-	-	-	-	-	1,460
11	620 Materials & Supplies	12,257	-	(3,064)	-	-	-	-	-	-	-	-	-	-	9,193
12	621 Office Supplies & Expense	2,399	-	(600)	-	-	-	-	-	-	-	-	-	-	1,799
13	632 Contractual Services - Accounting	20,263	-	(5,063)	-	-	-	-	-	-	-	-	-	-	15,199
14	633 Contractual Services - Professional	9,651	-	(2,413)	-	-	-	-	-	-	-	-	-	-	7,238
15	630 Outside services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	635 Water Testing	8,107	-	(368)	-	(7,733)	-	-	-	6,014	-	-	-	-	6
17	641 Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	6,014
18	650 Transportation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	657 Insurance - General Liability	2,186	-	(547)	-	-	-	-	-	-	-	-	-	-	1,639
20	659 Insurance - Health & Life	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	666 Regulatory Commission Expense	10,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000
22	675 Miscellaneous Expense	19,976	-	(3,965)	-	-	(1,750)	(2,366)	(2,353)	-	-	(5,000)	-	-	9,542
23	403 Depreciation Expense	57,728	-	-	(4,546)	-	-	-	-	-	-	-	-	-	53,182
24	408 Taxes Other than Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	408.11 Property Taxes	7,530	-	-	-	-	-	-	-	-	-	-	(66)	-	7,464
26	409 Income Tax	(2,064)	-	-	-	-	-	-	-	-	-	-	-	6,500	4,436
26	Total Operating Expenses	\$ 216,269	\$ -	\$ (16,019)	\$ (4,546)	\$ (7,733)	\$ (1,750)	\$ (2,366)	\$ (2,353)	\$ 6,014	\$ (526)	\$ (5,000)	\$ (66)	\$ 6,500	\$ 188,423
27	Operating Income (Loss)	\$ (8,264)	\$ (1,820)	\$ 16,019	\$ 4,546	\$ 7,733	\$ 1,750	\$ 2,366	\$ 2,353	\$ (6,014)	\$ 526	\$ 5,000	\$ 66	\$ (6,500)	\$ 17,761

ADJ #	References:
1	Other Revenue
2	Allocated Expense
3	Depreciation Exp.
4	Water Test
5	Auto Expense
6	Telephone Exp.
7	Utility Exp.
8	Office Rent
9	Late Fee Exp.
10	Rate Case Exp.
11	Property Tax Exp.

UTILITY SOURCE, LLC, Water Division
Docket No. WS-04235A-13-0331
Test Year Ended December 31, 2012

Schedule JLK-W9

OPERATING INCOME ADJUSTMENT NO. 1 - TEST YEAR REVENUES

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Other Operating Revenue	\$ 5,261	\$ (1,820)	\$ 3,441

References:

Column (A), Company Schedule C-2 & Workpapers
Column (B): Direct Testimony JLK-8
Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division

Docket No. WS-04235A-13-0331

Test Year Ended December 31, 2012

Rejoinder Schedule JLK-W10

OPERATING INCOME ADJUSTMENT NO. 2 Allocated Expense

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Materials and Supplies	\$ 12,257	\$ (3,064)	\$ 9,193
2	Office Supplies	2,399	(600)	1,799
3	Accounting	20,253	(5,063)	15,190
4	Professional Services	9,651	(2,413)	7,238
5	Water Testing	8,107	(368)	7,739
6	Insurance	2,186	(547)	1,639
7	Miscellaneous Expense	19,976	(3,965)	16,011
		<u>\$ 74,829</u>	<u>\$ (16,019)</u>	<u>58,810</u>

References:

Column (A), Company Schedule C-2 & Workpapers

Column (B): Testimony

Column (C): Column (A) + Column (B)

OPERATING INCOME ADJUSTMENT No. 2 - DEPRECIATION EXPENSE

Line No.	ACCT NO.	PLANT IN SERVICE - DESCRIPTION	[A] PLANT In SERVICE Per Staff	[B] NonDepreciable or Fully Depreciated PLANT	[C] DEPRECIABLE PLANT (Col A - Col B)	[D] DEPRECIATION RATE	[E] DEPRECIATION EXPENSE (Col C x Col D)
1	301	Organization Costs	\$ -	\$ -	\$ -	0.00%	\$ -
2	302	Franchise Costs	-	-	-	0.00%	-
3	303	Land & Land Rights	210,000	(210,000)	-	0.00%	-
4	304	Structures & Improvements	72,997	-	72,997	3.33%	2,431
5	307	Wells & Springs	1,261,539	-	1,261,539	3.33%	42,009
6	310	Power Generation Equipment	89,125	-	89,125	5.00%	4,456
7	311	Electric Pumping Equipment	158,711	(158,711)	-	12.50%	-
8	320	Water Treatment Equipment	5,487	-	5,487	3.33%	183
9	320.1	Water Treatment Plants	-	-	-	3.33%	-
10	320.2	Solutions & Feeders	-	-	-	20.00%	-
11	330	Distribution Reservoirs & Standpipes	321,452	-	321,452	2.22%	7,136
12	330.1	Storage Tank	-	-	-	2.22%	-
13	330.2	Pressure Tanks	-	-	-	5.00%	-
14	331	Transmission & Distribution Mains	161,632	(40,408)	121,224	2.00%	2,424
15	333	Services	86,250	-	86,250	3.33%	2,872
16	334	Meters & Meter Installations	-	-	-	8.33%	-
17	335	Hydrants	34,500	-	34,500	2.00%	690
18	336	Backflow Prevention Devices	-	-	-	6.67%	-
19	339	Other Plant & Misc. Equip.	-	-	-	6.67%	-
20	340	Office Furniture & Fixtures	2,947	-	2,947	6.67%	197
21	340.1	Computer & Software	-	-	-	20.00%	-
22	341	Transportation Equipment	-	-	-	20.00%	-
23	342	Store Equipment	-	-	-	4.00%	-
24	343	Tools & Work Equipment	-	-	-	5.00%	-
25	344	Laboratory Equipment	-	-	-	10.00%	-
26	345	Power Operated Equipment	-	-	-	5.00%	-
27	349	Communications Equipment	-	-	-	10.00%	-
28	347	Miscellaneous Equipment	-	-	-	10.00%	-
29	348	Other Intangibles	-	-	-	0.00%	-
30		Subtotal - General	\$ 2,404,640	\$ (409,119)	\$ 1,995,521		\$ 62,398
31		Less: Amortization of Contributions					
					Composite Depreciation Rate (Depr Exp / Depreciable Plant):		3.13%
					CIAC:	\$	294,745
					Amortization of CIAC (Line 33 x Line 34):	\$	9,216
					Depreciation Expense Before Amortization of CIAC:	\$	62,398
					Less Amortization of CIAC:	\$	9,216
32		Staff Recommended Depreciation Expense			Test Year Depreciation Expense - Staff:	\$	53,182
33		Company Proposed Depreciation Expense			Depreciation Expense - Company:	\$	57,728
34		Increase/(Decrease) to Depreciation Expense			Staff's Total Adjustment:	\$	(4,546)

UTILITY SOURCE, LLC, Water Division
Docket No. WS-04235A-13-0331
Test Year Ended December 31, 2012

Schedule JLK-W12

OPERATING INCOME ADJUSTMENT NO. 3 -Water Testing

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Water Testing	\$ 8,107	\$ (7,733)	\$ 374

References:

Column (A), Company Schedule C-2 & Workpapers
Column (B): Direct Testimony Engineering Report, P. 16)
Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division

Docket No. WS-04235A-13-0331

Test Year Ended December 31, 2012

Schedule JLK-W13

OPERATING INCOME ADJUSTMENT NO. 4 - Auto Expense

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Auto Expense	\$ 3,250	\$ (1,750)	\$ 1,500

References:

Column (A), Company Schedule C-2 & Data Request #3

Column (B): Direct Testimony P. 14

Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division
Docket No. WS-04235A-13-0331
Test Year Ended December 31, 2012

Schedule JLK-W14

OPERATING INCOME ADJUSTMENT NO. 5 -Telephone Expense

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Telephone Expense	\$ 4,732	\$ (2,366)	\$ 2,366

References:

Column (A), Company Schedule C-2 & Data Request #3.

Column (B) :Direct Testimony P. 14

Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division

Schedule JLK-W15

Docket No. WS-04235A-13-0331

Test Year Ended December 31, 2012

OPERATING INCOME ADJUSTMENT NO. 6 - Utility Expense

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Utiltiy Expense	\$ 2,353	\$ (2,353)	\$ -

References:

Column (A): Company Schedule C-2 & Company General Ledger Account 655.3

Column (B) : Company General Ledger Account 775.3 & DR JLK 9.5

Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division

Schedule JLK-W16

Docket No. WS-04235A-13-0331

Test Year Ended December 31, 2012

OPERATING INCOME ADJUSTMENT NO. 7 -Office Rent

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Office Rent	\$ -	\$ 6,104	\$ 6,104

References:

Column (A), Nielsen Data Request 2.01; RUCO Data Request 2.06

Column (B) : Testimony

Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division
Docket No. WS-04235A-13-0331
Test Year Ended December 31, 2012

Schedule JLK-W17

OPERATING INCOME ADJUSTMENT NO. 8 - Purchase Power

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Purchased Power	\$ 66,787	\$ (526)	\$ 66,261

References:

Column (A): Company Schedule C-2

Column (B) : Testimony

Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC

Docket No. WS-04235A-13-0331

Test Year Ended December 31, 2012

Schedule JLK-W18

OPERATING INCOME ADJUSTMENT NO. 7 -Rate Case Expense

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENTS	[C] STAFF RECOMMENDED
1	Rate Case Expense	\$ 10,000	\$ (5,000)	\$ 5,000

References:

Column (A), Company Schedule C-2

Column (B): Direct Testimony P. 15

Column (C): Column (A) + Column (B)

UTILITY SOURCE, LLC, Water Division
Docket No. WS-04235A-13-0331
Test Year Ended December 31, 2012

Schedule JLK-W19

OPERATING INCOME ADJUSTMENT No. 8 - PROPERTY TAX EXPENSE

LINE NO.	Property Tax Calculation	[A] STAFF AS ADJUSTED	[B] STAFF RECOMMENDED
1	Staff Adjusted Test Year Revenues	\$ 206,184	\$ 206,184
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	412,368	\$ 412,368
4	Staff Recommended Revenue, Per Schedule JLK-1	206,184	\$ 363,978
5	Subtotal (Line 4 + Line 5)	618,552	776,347
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	206,184	\$ 258,782
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	412,368	\$ 517,564
10	Plus: 10% of CWIP -	-	-
11	Less: Net Book Value of Licensed Vehicles	-	\$ -
12	Full Cash Value (Line 9 + Line 10 - Line 11)	412,368	\$ 517,564
13	Assessment Ratio	20.0%	19.0%
14	Assessment Value (Line 12 * Line 13)	82,474	\$ 98,337
15	Composite Property Tax Rate	9.0503%	9.0503%
16	Staff Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 7,464	\$ -
17	Company Proposed Property Tax	7,530	
18	Staff Test Year Adjustment (Line 16-Line 17)	\$ (66)	
19	Property Tax - Staff Recommended Revenue (Line 14 * Line 15)		\$ 8,900
20	Staff Test Year Adjusted Property Tax Expense (Line 16)		\$ 7,464
21	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ 1,436
22	Increase to Property Tax Expense		\$ 1,436
23	Increase in Revenue Requirement		157,794
24	Increase to Property Tax per Dollar Increase in Revenue (Line 19/Line 20)		0.909857%

UTILITY SOURCE, LLC, Water Division
Docket No. WS-04235A-13-0331
Test Year Ended December 31, 2012

Schedule JLK-W20

OPERATING INCOME ADJUSTMENT NO. 9 - INCOME TAX EXPENSE

LINE NO.	DESCRIPTION	[A] COMPANY PROPOSED	[B] STAFF ADJUSTMENT	[C] STAFF RECOMMENDED
1	Income Tax Expense	\$ (2,064)	\$ 6,500	\$ 4,436

References:

Column (A), Company Schedule C-2

Column (B): Direct Testimony JLK-8

Column (C): Column (A) + Column (B)

Monthly Usage Charge	Present	Company Proposed Rates	Staff Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8 x 3/4 Inch	\$ 13.18	\$ 41.70	\$ 23.40
3/4 Inch	21.00	41.70	35.10
1 Inch	40.50	102.68	75.00
1 1/2 Inch	89.20	205.35	150.00
2 Inch	147.70	328.56	240.00
3 Inch	284.20	657.12	480.00
4 Inch	479.20	1,026.75	750.00
6 Inch	966.92	2,053.50	1,500.00
-			
-			
-			
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>5/8" x 3/4" Meter (Residential)</u>			
First 4,000 gallons	\$ 4.80	\$ 8.25	N/A
4,001 to 9,000 gallons	7.16	15.75	N/A
Over 9,000 gallons	8.60	21.75	N/A
First 3,000 gallons	N/A	N/A	\$ 5.41
3,001 to 10,000 gallons	N/A	N/A	11.00
Over 10,000 gallons	N/A	N/A	20.25
<u>5/8" x 3/4" Meter (Commercial, Industrial, Irrigation)</u>			
First 4,000 gallons	\$ 4.80	\$ 8.25	N/A
4,001 to 9,000 gallons	7.16	15.75	N/A
Over 9,000 gallons	8.60	21.75	N/A
First 10,000 gallons	N/A	N/A	\$ 11.00
Over 10,000 gallons	N/A	N/A	20.25
<u>3/4" Meter (Residential)</u>			
First 4,000 gallons	\$ 4.80	\$ 8.25	N/A
4,001 to 9,000 gallons	7.16	15.75	N/A
Over 9,000 gallons	8.60	21.75	N/A
First 3,000 gallons	N/A	N/A	\$ 5.41
3,001 to 10,000 gallons	N/A	N/A	11.00
Over 10,000 gallons	N/A	N/A	20.25
<u>3/4" Meter (Commercial, Industrial, Irrigation)</u>			
First 4,000 gallons	\$ 4.80	\$ 8.25	N/A
4,001 to 9,000 gallons	7.16	15.75	N/A
Over 9,000 gallons	8.60	21.75	N/A
First 10,000 gallons	N/A	N/A	\$ 11.00
Over 10,000 gallons	N/A	N/A	20.25
<u>1" Meter (All Classes Including Standpipe and Construction)</u>			
First 27,000 gallons	\$ 4.80	\$ 15.75	N/A
Over 27,000 gallons	7.16	21.75	N/A
First 11,000 gallons	N/A	N/A	\$ 11.00
Over 11,000 gallons	N/A	N/A	20.25

Monthly Usage Charge	Present	Company Proposed Rates	Staff Recommended Rates
<u>1 1/2" Meter (All Classes Including Standpipe and Construction)</u>			
First 57,000 gallons	\$ 4.80	\$ 15.75	N/A
Over 57,000 gallons	7.16	21.75	N/A
First 13,000 gallons	N/A	N/A	\$ 11.00
Over 13,000 gallons	N/A	N/A	20.25
<u>2" Meter (All Classes Including Standpipe and Construction)</u>			
First 94,000 gallons	\$ 4.80	\$ 15.75	N/A
Over 94,000 gallons	7.16	21.75	N/A
First 16,000 gallons	N/A	N/A	\$ 11.00
Over 16,000 gallons	N/A	N/A	20.25
<u>3" Meter (All Classes Including Standpipe and Construction)</u>			
First 195,000 gallons	\$ 4.80	\$ 15.75	N/A
Over 195,000 gallons	7.16	21.75	N/A
First 26,000 gallons	N/A	N/A	\$ 11.00
Over 26,000 gallons	N/A	N/A	20.25
<u>4" Meter (All Classes Including Standpipe and Construction)</u>			
First 309,000 gallons	\$ 4.80	\$ 15.75	N/A
Over 309,000 gallons	7.16	21.75	N/A
First 37,000 gallons	N/A	N/A	\$ 11.00
Over 37,000 gallons	N/A	N/A	20.25
<u>6" Meter (All Classes Except Standpipe and Construction)</u>			
First 615,000 gallons	\$ 4.80	\$ 15.75	N/A
Over 615,000 gallons	7.16	21.75	N/A
First 71,000 gallons	N/A	N/A	\$ 11.00
Over 71,000 gallons	N/A	N/A	20.25
Irrigation Meters			
All Gallons	\$ 9.26	\$ 15.75	\$ 20.25
Standpipe or Bulk			
All Gallons	\$ 10.35	\$ 21.75	\$ 18.86
Construction			
All Gallons	\$ 10.35	\$ 21.75	\$ 18.86

Monthly Usage Charge		Company Proposed Rates			Staff Recommended Rates		
Other Service Charges							
Establishment	\$ 20.00	\$ 20.00			\$ 30.00		
Establishment (After Hours)	\$ 40.00	Removed			N/T		
Reconnection (Delinquent)	\$ 50.00	\$ 50.00			\$ 50.00		
Reconnection (Delinquent) - After Hours	\$ 40.00	Removed			N/T		
Deposit	*	*			*		
Deposit Interest	**	**			**		
Reestablishment (within 12 months)	***	***			***		
NSF Check	\$ 20.00	\$ 20.00			\$ 20.00		
Late Payment Penalty (Per Month)	1.50%	1.50%			1.50%		
Deferred Payment (Per Month)	1.50%	1.50%			1.50%		
After Hours Service Calls - Per Hour	\$ 40.00	\$ 40.00			N/T		
After Hours Service Charge	\$ 40.00	\$ 40.00			\$ 40.00		
Moving Customer Meter (at customer request)	Cost	Cost			Cost		
* Per Commission Rule A.A.C. R-14-2-603(B)							
** Per Commission Rule A.A.C. R-14-2-603(B)							
*** Per Commission Rule A.A.C. R-14-2-603(D) - Months off the system times the monthly minimum.							
Service and Meter Installation Charges							
	Total Present Charge	Proposed Service Line	Proposed Meter	Total Proposed Charge	Recommended Service Line	Recommended Meter Insallation	Total Recommended Charge
Service Size							
5/8 x 3/4 Inch	\$ 520	\$ 385	\$ 135	\$ 520	\$ 415	\$ 105	\$ 520
3/4 Inch	575	415	205	620	415	205	620
1 Inch	660	465	265	730	465	265	730
1 1/2 Inch	900	520	475	995	520	475	995
2 Inch Turbo	1,525	800	995	1,795	800	995	1,795
2 Inch Compound	2,320	800	1,840	2,640	800	1,840	2,640
3 Inch Turbo	2,275	1,015	1,620	2,635	1,015	1,620	2,635
3 Inch Compound	3,110	1,135	2,495	3,630	1,135	2,495	3,630
4 Inch Turbo	3,360	1,430	2,570	4,000	1,430	2,570	4,000
4 Inch Compound	4,475	1,610	3,545	5,155	1,610	3,545	5,155
6 Inch Turbo	6,035	2,150	4,925	7,075	2,150	4,925	7,075
6 Inch Compound	8,050	2,270	6,820	9,090	2,270	6,820	9,090
1 1/2 Inch	\$ 675.00	\$ 550.00	\$ 675.00	\$ 1,225.00	\$ 550.00	\$ 675.00	\$ 1,225.00
2 Inch Turbo	N/A	\$ 830.00	\$ 1,195.00	\$ 2,025.00	\$ 830.00	\$ 1,195.00	\$ 2,025.00
2 Inch Compound	\$ 1,660.00	\$ 830.00	\$ 2,040.00	\$ 2,870.00	\$ 830.00	\$ 2,040.00	\$ 2,870.00
3 Inch Turbo	N/A	\$ 1,045.00	\$ 1,820.00	\$ 2,865.00	\$ 1,045.00	\$ 1,820.00	\$ 2,865.00
3 Inch Compound	\$ 2,150.00	\$ 1,165.00	\$ 2,604.00	\$ 3,769.00	\$ 1,165.00	\$ 2,604.00	\$ 3,769.00
4 Inch Turbo	N/A	\$ 1,490.00	\$ 2,820.00	\$ 4,310.00	\$ 1,490.00	\$ 2,820.00	\$ 4,310.00
4 Inch Compound	\$ 3,135.00	\$ 1,670.00	\$ 3,795.00	\$ 5,465.00	\$ 1,670.00	\$ 3,795.00	\$ 5,465.00
6 Inch Turbo	N/A	\$ 2,210.00	\$ 5,175.00	\$ 7,385.00	\$ 2,210.00	\$ 5,175.00	\$ 7,385.00
6 Inch Compound	\$ 6,190.00	\$ 2,330.00	\$ 7,070.00	\$ 9,400.00	\$ 2,330.00	\$ 7,070.00	\$ 9,400.00

Typical Bill Analysis
General Service 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	4,123	\$ 38.58	\$ 76.01	\$ 37.43	97.01%
Median Usage	3,500	35.30	69.95	\$ 34.65	98.14%
Staff Recommended					
Average Usage	4,123	\$ 38.58	\$ 63.67	\$ 25.09	65.03%
Median Usage	3,500	35.30	56.82	\$ 21.52	60.96%

Present & Proposed Rates (Without Taxes)
General Service 3/4-Inch Meter

	Present Rates		Company Proposed Rates		% Increase	Staff Recommended Rates		% Increase
	3/4"		3/4"			3/4"		
	Minimum Charge	\$ 18.50	Minimum Charge	\$ 41.07		Minimum Charge	\$ 35.10	
	1st Tier Rate	\$ 4.80	1st Tier Rate	\$ 8.25		1st Tier Rate	\$ 5.41	
	1st Tier Breakover	4,000	1st Tier Breakover	4,000		1st Tier Breakover	3,000	
	2nd Tier Rate	\$ 7.16	2nd Tier Rate	\$ 15.75		2nd Tier Rate	\$ 11.00	
	2nd Tier Breakover	9,000	2nd Tier Breakover	9,000		2nd Tier Breakover	10,000	
	3rd Tier Rate	\$ 8.60	3rd Tier Rate	\$ 21.75		3rd Tier Rate	\$ 20.25	
Gallons Consumption								
-	\$	18.50	\$	41.07	122.00%	\$	35.10	89.73%
1,000		23.30		49.32	111.67%		40.51	73.85%
2,000		28.10		57.57	104.88%		45.91	63.40%
3,000		32.90		65.82	100.06%		51.32	55.99%
4,000		37.70		74.07	96.47%		62.32	65.29%
5,000		44.86		89.82	100.22%		73.31	63.42%
6,000		52.02		105.57	102.94%		84.31	62.06%
7,000		59.18		121.32	105.00%		95.30	61.04%
8,000		66.34		137.07	106.62%		106.30	60.23%
4,123		38.58		76.01	97.01%		63.67	65.03%
9,000		73.50		152.82	107.92%		117.29	59.58%
10,000		82.10		174.57	112.63%		128.29	56.26%
11,000		90.70		196.32	116.45%		148.54	63.77%
12,000		99.30		218.07	119.61%		168.78	69.97%
13,000		107.90		239.82	122.26%		189.03	75.19%
14,000		116.50		261.57	124.52%		209.28	79.64%
15,000		125.10		283.32	126.47%		229.53	83.48%
16,000		133.70		305.07	128.18%		249.78	86.82%
17,000		142.30		326.82	129.67%		270.03	89.76%
18,000		150.90		348.57	130.99%		290.28	92.36%
19,000		159.50		370.32	132.18%		310.53	94.69%
20,000		168.10		392.07	133.24%		330.78	96.77%
25,000		211.10		500.82	137.24%		432.02	104.65%
30,000		254.10		609.57	139.89%		533.27	109.86%
35,000		297.10		718.32	141.78%		634.51	113.57%
40,000		340.10		827.07	143.18%		735.76	116.34%
45,000		383.10		935.82	144.28%		837.00	118.48%
50,000		426.10		1,044.57	145.15%		938.25	120.19%
75,000		641.10		1,588.32	147.75%		1,444.47	125.31%
100,000		856.10		2,132.07	149.04%		1,950.70	127.86%